UNIDO

Distr.
GENERAL

IDB.10/36
29 October 1992

United Nations Industrial Development Organization

ORIGINAL: ENGLISH

Industrial Development Board

Tenth session
Vienna, 2-6 November 1992
Items 11 and 13 of the provisional agenda

ORGANIZATIONAL AND STAFF STRUCTURE OF UNIDO

ADMINISTRATIVE MATTERS

Statement of the staff of UNIDO

Submitted by the President of the Staff Council of UNIDO
through the Director-General

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Background

1. The present document is submitted to the Board under two of the provisional agenda items, i.e. item 11 on organizational and staff structure of UNIDO and item 13 (b), on Administrative matters: International Civil Service Commission. It is submitted in accordance with General Conference resolution GC.4/Res.29 in which the Chairperson of the Staff Council through the Director-General is invited to provide for consideration to Member States during regular sessions of the Board, if necessary, the views of the staff on matters such as pursuing an effective career development structure for staff members, the staffing within the Secretariat and greater job motivation for staff.

Introduction

2. When the twentieth century enters the annals of history a few years from now, it will not be leaving the world in a pretty state: the dreams and ambitions of mankind which were thought to be the panacea of nineteenth century ills have largely been fulfilled, but at what cost? Improved health has prolonged life, yet the world has little time or inclination to care for its elderly. Lower infant mortality has resulted in a severe disproportion between the number of mouths to feed and the amount of food to go round. Industrialization has wreaked havoc with the balance of nature, and improved communications, air travel and the gradual opening-up of the world have correspondingly opened people's eyes to discrepancies in standards of living, raised individual expectations and have been the cause of widespread bitterness and political strife. Education is within the reach of a growing number of the world's population - yet unemployment in the industrialized countries has reached unprecedented proportions. The fundamental desire of every nation for independence and autonomy has severed many States from their autocratic yet protective step-parents. Peace is as elusive now as ever, and technological development has ensured that warfare today is more devastating than during the most bloody periods of history.

3. If one poses the question as to which twentieth-century development has had the greatest impact on humanity, replies will range from the supersonic jet to the paper handkerchief. Although we admit to being prejudiced, we - the staff of the United Nations and its specialized agencies - like to believe that the establishment of a world forum, where representatives of every nation can sit in one room together, discuss, argue perhaps, but ultimately talk to each other, is the most phenomenal development in recent history. We cannot pretend that the United Nations can cure the world's ills (at least, not tomorrow), but it can and does provide the opportunity to

seek common solutions and this is the constant miracle of the United Nations. Notwithstanding, we are all too aware of the growing amount of criticism levelled against the United Nations common system in the international press. While it is easy to shrug off "United Nations-bashing" as a popular sport, this would be the ostrich tactic. Rather than bury our heads in the sand, we should take a long, hard look in the mirror and try to identify and correct some of the flaws attributed to our organizations.

4. There is a tendency among United Nations sceptics to confuse the Secretariat with the body of Member States. The public is largely unaware that the policy decisions taken within our organizations are the results of prolonged bouts of political ping-pong. United Nations sympathisers, on the other hand, quite unrealistically and erroneously view the United Nations as the world's foremost charity, where the richer nations empty the contents of their coffers into the waiting hands of the poorer countries.

5. Although the United Nations has to serve the interests of all Member States, more than a grain of altruism on the part of the developed world is essential if it is to achieve any of its goals. It was this same spirit of altruism and idealism which prompted many of its staff in the first place to seek employment with the United Nations. While, undeniably, heads of families cannot afford to sacrifice their families' security for some voluntary crusade, many consciously sought out the United Nations as an alternative to the dog-eat-dog world of international business. They accepted lower salary scales and limited job prospects in return for the chance to help the disadvantaged and assist developing nations to achieve fulfilment.

6. The staff is, consequently, deeply disappointed at the lukewarm attitude of some Member States to the Organization, reflected not only in their lack of financial commitment but in their reluctance to provide a firm direction for the future. We realize that there is little we can say or do to change this stance. If a particular agency, or indeed the United Nations system as a whole, fails to arouse the interest of a particular Member State, then no appeal for solidarity or goodwill will be of any avail. What the staff can do, however, is to make its considered opinions known, and the staff of UNIDO is particularly grateful that the representatives of its Member States actively seek the views of the staff. This has been especially true during discussions on a new structure for UNIDO as well as the managerial reorganization. The annual statement of the staff to the Industrial Development Board provides a regular opportunity for the staff to present its views to Member States, while informal contacts initiated by representatives of Member States between sessions permit an up-to-date awareness of the views of the staff on crucial issues as they arise.

I. ITEM 11 OF THE PROVISIONAL AGENDA: ORGANIZATIONAL AND STAFF STRUCTURE

A. Staff reductions proposed by the Secretariat

7. Against the dismal global background described above, the staff would be naïve indeed to imagine that UNIDO alone in the United Nations system could sail through the current storm unscathed. The reluctance of a growing number of Member States to honour their financial commitments to the international organizations is not a phenomenon unique to UNIDO; many other organizations are suffering similar crises, although it is interesting to note that the secretariats of the World Bank, the European Community and the Organisation for Economic Cooperation and Development are not among them.

8. Cuts in work programmes to match a trimmed-down budget are the inevitable consequence of the disparity between the frequently pronounced wishes and desires of Member States and the inflexibility of their purse-strings. If the staff were to protest that a reduction in the work programme of the Organization is unlikely to hasten the industrial development of the developing countries and thus bring the goals of UNIDO closer to fruition, then doubtless the staff would be suspected of ulterior motives. The illogicality of a situation where, year after year, the policy-making organs pile greater and heavier responsibilities on the shoulders of our Organization, yet in the same breath utter the monotonous refrain "zero-growth budget", is a constant source of puzzlement. Indeed, the staff has often voiced its deep disappointment at what it perceives as a callous disregard on the part of some Member States for the well-being of the Organization. The determination and dedication with which those same Member States pursue senior posts in the international organizations at the expense of the career development of existing staff is rarely reflected in their commitment to the day-to-day running of the organization concerned.

9. Self-interest is not the prerogative of Member States but also appears to be the guiding principle in management's response to the financial crisis. The contingency measures to which the Secretariat ostensibly resorted to alleviate the financial crisis did not include any likely to offend the susceptibilities of Member States. Some concrete crisis measures could have been taken and those proposed by the staff - but apparently ignored - included:

(a) Strict adherence to the current mandatory retirement age;

(b) Recruitment freeze, particularly for the figurehead posts in senior management;

(c) Restrictive travel, especially for those who are simply "waving the flag" of UNIDO. Pleasant as it may be for senior staff to roam around the world and their home countries on good-will missions, travel funds in time of crisis should be reserved for programme delivery;

(d) Reduction in the number of consultancy contracts offered. The staff could cite numerous examples where tailor-made assignments are offered through the old-boy network;

(e) Agreed terminations. Given the current state of staff morale, there may be a surprising number of volunteers for "golden handshakes";

(f) A review of selection criteria, terms of reference and contractual status of UNIDO field staff, including the UNIDO Country Director programme and its cost effectiveness.

10. It would have taken great courage to have introduced the above measures which would

doubtless have entailed stepping rather firmly on the toes of some Member States. Political expediency rather than business sense has dictated management's decision to reduce the number of staff as a response to the financial crisis. The kowtowing of management to those very States who, by their intentional neglect of the Organization are speeding its downfall, can only serve to increase the staff's lack of confidence in, and respect for, UNIDO's top echelon.

11. In paragraph 17 of IDB.10/27, reference is made to the Director-General's plan for staff reductions which has "taken account of the concerns of Member States". The staff cannot confirm or deny that any such plan exists. It can simply say that, to date, no plan has been discussed with staff representatives and that, were it to exist, it most definitely does not take into account the views, concerns or suggestions of the staff since these have not been solicited.

12. Although, ideally, the Staff Council would like to maintain the current level of staffing, it is well aware of the financial constraints. It is concerned, however, about the appropriateness and effectiveness of a staff reduction plan left solely in the hands of senior managers, not to mention the transparency, fairness and objectivity of such an exercise. Regrettably, past experience has done little to generate trust. The Staff Council would strongly support the immediate establishment of an impartial staff/management body to look at reassignments and extensions of contracts.

13. The staff believes that greater emphasis should be given not only to a well-defined retraining plan, but to the familiarization and involvement of staff in all aspects of the work of the Organization. This would lead to more flexibility and efficiency, heightened cooperation and a greater sense of belonging. It would also raise staff morale at a time when it has plunged to new depths. Vacancies through natural attrition could be filled internally following procedures which would ensure a fair chance of career development for all, and additional training offered where necessary. Except in the very rarest instances, a recruitment freeze is one of the first measures which should be introduced in times of crisis. The perennial, somewhat ghoulish cry for new blood is perceived by many staff as a sop to Member States, anxious to place their nationals on board.

14. As far as the restructuring of UNIDO is concerned, the staff explained its views to Member States in paragraphs 29 to 33 of its statement to the eighth session of the Board (IDB.8/49). Suffice it to reiterate a concern that has been expressed on two previous occasions, namely that there was little involvement of the staff in the development of the new manning table, which was often perceived as paying lip service to the wishes of Member States as well as providing appropriate slots for the most senior staff already on board. The present exercise will need to be conducted with great care and caution if it is to dispel past perceptions.

B. The role of management

15. While most of UNIDO's problems would disappear in a flash if Member States were to pay their arrears in assessed contributions, the staff is well aware that this is not the sole hurdle which stands between UNIDO and the winning post. Indeed, in our more cynical moments, we cannot help wondering whether management is occasionally using the financial crisis as a convenient cover-up for its own shortcomings. Loyalty to the Organization does not imply turning a blind eye to its weaknesses and errors any more than it involves gratuitous mud-slinging at senior managers. By exposing problem areas whether real or perceived and preparing constructive remedial proposals, the staff does not believe that it is trespassing on the territory of management, nor is it washing its dirty linen in public.

16. Setting aside the purely material benefits of employment, the staff of UNIDO like workers the world over, wants to be efficient and effective. There is nothing more stultifying than uselessness, and yet the staff of UNIDO is becoming progressively demoralized and frustrated at the apparent lack of vision and direction in the Organization. Have Member States given the necessary signals to the Director-General and his senior managers? The staff itself is unsure of the current aims and objectives of UNIDO. The restructuring exercise has been one giant, protracted confinement plagued with every complication imaginable. As things stand at the moment, a still-birth may be preferable to other alternatives.

17. Staff members have been further confused by the constant shifting of priorities in UNIDO. The current emphasis on studies seems at odds with the Organization's former bias in favour of technical cooperation. The introduction of the United Nations Development Programme successor arrangements has undoubtedly resulted in an adjustment in focus, but this does not appear to have been reflected in the day-to-day running of the Organization.

18. The United Nations Headquarters has embarked on a series of reforms which are aimed at effecting economies and "depoliticizing" posts below the level of Under Secretary-General. Indeed, several high-level posts have been abolished, and corresponding changes introduced in such areas as conference services and personnel. The decentralization of personnel administration will place greater responsibility on the heads of departments, and at the same time break the monopoly which Personnel has enjoyed on the selection, career development and continued employment of staff. The staff will not argue that power wielded wisely by one set of hands is preferable to a possible unequal dissipation of responsibilities. While the United Nations formula would have to be tried and tested before being introduced in UNIDO, it would be worth further examination within the framework of the restructuring exercise.

19. The imminent change in leadership in the Organization would be an appropriate time to introduce a new approach to management. In this connection, the Staff Council on behalf of the staff of UNIDO, shared with the Permanent Missions its views on the type of leadership it visualizes for the future. A management style which was valid when UNIDO was part of the United Nations or during the first years of its autonomy as a specialized agency, may not necessarily represent the ideal formula for UNIDO as it reaches maturity. Member States understood the intentions of the staff to contribute constructively to the process of shaping the new UNIDO.

II. ITEM 13 (b) OF THE PROVISIONAL AGENDA: RECOMMENDATIONS OF THE INTERNATIONAL CIVIL SERVICE COMMISSION

20. The note by the Secretariat submitted to the current session of the Industrial Development Board under the symbol IDB.10/28 implies that, as far as the International Civil Service Commission (ICSC) is concerned, all is right with the world. The General Assembly may well reaffirm the role of ICSC as the independent technical body responsible to the Assembly for the regulation and coordination of conditions of service, but the fact of the matter is that the Commission has failed dismally in that role. The Commission is as little technical as it is independent. As has been pointed out by FICSA on numerous occasions, it includes retired diplomats, rankled that their own pensions do not match those of the United Nations system and former international civil servants who failed to reach the top of the ladder, while those commissioners who do have a technical edge are under instructions from their own Governments.

21. A clear example of the Commission's intentions is its review of the General Service salary survey methodology. Unlike Professional salaries which are, for better or worse, tied to the common system, the remuneration package of General Service staff is based on local conditions at the duty station. This is a logical point of comparison, since by and large General Service staff are recruited locally and UNIDO has to compete with outside employers in Austria for qualified staff (as do other United Nations agencies in their particular duty stations). Naturally the exigencies of service in a multinational, multicultural organization require specialized qualifications, including linguistic aptitude which is in short supply and thus highly prized by rival employers. Since German is not a working language of UNIDO, all General Service staff have to be able to work competently and full-time in English (or in some instances, other United Nations languages). Most secretarial staff are actually tested before recruitment on their ability to correct texts prepared by their (non-English mother-tongue) supervisors and are thus expected to demonstrate language abilities superior to those of their Professional colleagues who were recruited on the basis of their professional expertise, academic qualifications and experience. Since these standards are rarely if ever exacted by comparator firms, an additional language factor of 4 per cent was added to General Service salaries in Vienna and Rome, where, unlike Geneva, London, Paris and New York, the local language is not one of the official languages of the organization. The rationale for the inclusion of a language factor is based on sound arguments and - we would venture to say - irrefutable evidence. All this, however, has not stopped the ICSC from latching on to the language factor as an easy way to chop General Service salaries and achieve its ultimate goal of reducing the overlap between the top of the General Service scale and the bottom of the Professional salary scale. This in turn will jeopardize any chance of restoring Professional salaries to their market level.

22. On the question of General Service pensions, the ICSC appears to be unaware of that old American adage that warns: "If it ain't broke, don't mend it". Unlike the pensions of their Professional colleagues which have, over the years, suffered a severe buffeting as a result of exchange-rate fluctuations, the pensions of General Service staff have sailed a relatively smooth course for the past 30 years. The ICSC, in its wisdom, has now decided that the only way of ironing out the inequities between the Professional and General Service system of pensions is to disrupt the latter. An effective mechanism was found in the staff assessment, which forms part of pensionable remunerations but does not affect take-home pay. An arbitrary reduction of General Service staff assessment has led to a drop of approximately 7 per cent in pensions. Again, by lowering General Service pensions, the ICSC is effectively stalling the improvement of Professional pensions.

23. Not only are the above measures unfounded and unfair on General Service staff, but they place the future of UNIDO in question. With the advent of word processors and personal computers, the role of many General Service staff has shifted. Secretaries are no longer copy-typists/receptionists, but can and do provide valuable technical support to supervisors. Many General Service staff work in a team with their Professional colleagues, and - as a result of an acute understaffing problem in some areas - perform a number of tasks which were hitherto the responsibility of Professionals. If the conditions of service of the General Service are allowed to deteriorate, this will inevitably have repercussions on the quality of candidates for General Service posts. UNIDO may well see itself suffering from a brain-drain, as its brightest young assistants accept employment in the more enlightened multinational organizations.

24. The Director-General is not obliged to implement ICSC recommendations for the establishment of General Service salary scales. If the Industrial Development Board, for example, were to recognize the maintenance of the language factor as both justified and desirable for Vienna, the Director-General could simply decide accordingly. A number of other measures were proposed by ICSC which modify the current methodology for General Service salary surveys, and since the sole purpose of their implementation would be to reduce artificially and arbitrarily the level of General Service salaries, the Board may wish to examine these in more detail. It should be recalled that the current methodology was agreed upon by Member States as the most appropriate and equitable manner of determining General Service salaries. As far as the staff is concerned, nothing has materialized to justify a change.

III. FOLLOW-UP TO PREVIOUS STAFF STATEMENTS

25. While the staff of UNIDO welcomes the opportunity to share its thoughts with the Member States on a number of concerns close to the hearts of the staff, it cannot help feeling disappointed at the absence of follow-up to its suggestions and proposals. The expressions of interest on the part of members of the policy-making organs are indeed gratifying: translated into concrete action, such expressions would be deeply satisfying.

26. In its statement to the Industrial Development Board at its eighth session (IDB.8/49), the staff raised a number of important issues under agenda item 10: Personnel matters. Since this particular

item does not figure in the agenda of the tenth session, the staff does not have the opportunity to submit its views afresh on such matters as the continuous abuse of secondment practices, the situation of staff in the Languages and Documentation Division and the extremely serious system-wide issue of Professional salaries and pensions.

27. In the statement of the staff submitted to the Board at its eighth session (IDB.8/49) the staff urged Member States, in the interests of integrity and equity, not to impose external restrictions on the contract extensions of their nationals, so that the universal criteria of good performance and availability of posts could be applied regardless of nationality. To our deep regret this appeal has gone unheeded both by those Member States which (management maintains) are insisting on bogus secondment arrangements and by the rest of the Member States who could have pressed for fair treatment for all.

28. Likewise, the staff is saddened that, although noises have been heard in various quarters, the limbo situation of staff in the Languages and Documentation Division of UNIDO, as described in document IDB.8/49, is still unresolved.

IV. CONCLUSION

29. In view of the heavy agenda before the Industrial Development Board, it may be unrealistic for staff to expect a lengthy dialogue with Member States on the various issues raised in the current statement. And yet the well-being of the staff, its enthusiasm and dedication are fundamental to the success of UNIDO. Discussions on the UNIDO environment programme, the external debt and industrial development or preparations for the fifth session of the General Conference will only amount to so many words if the whole-hearted commitment of the staff is lacking. The problems of the staff are real. Sweeping them under the carpet may be the diplomatic solution, but in the long run will prove the downfall of the very Organization which the Members of the Industrial Development Board have gathered together at its tenth session to save.